

SECTION 01200N

PRICE AND PAYMENT PROCEDURES

06/02

PART 1 GENERAL

1.1 REFERENCES

The publications listed below form a part of this specification to the extent referenced. The publications are referred to in the text by the basic designation only.

U.S. ARMY CORPS OF ENGINEERS (USACE)

COE EP-1110-1-8(1995) Construction Equipment Ownership and Operating Expense Schedule

1.2 SUBMITTALS

Submit the following in accordance with Section 01330, "Submittal Procedures."

SD-01 Preconstruction Submittals

Schedule of prices; G

1.3 SCHEDULE OF PRICES

1.3.1 Data Required

[This contract requires the use of a cost-loaded Network Analysis Schedule. The information required for the Schedule of Prices will be entered as an integral part of the Network Analysis Schedule (NAS) and its Mathematical Analysis.] [Within [15] [_____] calendar days of notice of award, prepare and deliver to the Contracting Officer a schedule of prices (construction contract) on the forms furnished by the Government.] Provide a detailed breakdown of the contract price, giving quantities for each of the various kinds of work, including design effort by the Architect/Engineer of Record (AEDOR), unit prices, and extended prices therefore. Each and every progress payment request shall be accompanied by a certification by the AEDOR on his AEDOR business letterhead stating that the work for which payment is requested has been constructed in accordance with the Design Documentation prepared, stamped, sealed and signed by the AEDOR.

[1.3.2 Construction Categories

The following construction categories apply to work covered by this specification:

CATEGORY

DESCRIPTION

[_____]

[_____]

Divide detailed breakdown into each construction category, stated in this contract. Subcontractors who may be involved in work under more than one of these categories shall be advised of this requirement in order to furnish such data without delay. Construction categories given above may be modified by the Contracting Officer as necessary during the course of work.]

1.3.3 Schedule Instructions

Payments will not be made until the [Schedule of Prices][cost-loaded NAS] has been submitted to and accepted by the Contracting Officer. Identify the cost for site work, and include incidental work to the [1.5 m][5 foot] line. Identify costs for the building(s), and include work out to the [1.5 m][5 foot] line. Work out to the [1.5 m][5 foot] line shall include construction encompassed within a theoretical line [1.5 m][5 feet] from the face of exterior walls and shall include attendant construction, such as cooling towers, placed beyond the [1.5 m][5 foot] line.

[1.3.4 Schedule Requirements for HVAC TAB

HVAC Testing, Adjusting and Balancing shall be broken down in the [Schedule of Prices and in the Construction Progress Documentation] [cost-loaded NAS] by separate line items which reflect measurable deliverables. Specific payment percentages for each line item shall be determined on a case-by-case basis for each contract. The line items shall be as follows:

- a. Approval of Design Review Report: The TABS Agency is required to conduct a review of the project plans and specifications to identify any feature, or the lack thereof, that would preclude successful testing and balancing of the project HVAC systems. The resulting findings shall be submitted to the Government to allow correction of the design. The progress payment shall be issued after review and acceptance of the report.
- b. Acceptance of the pre-field engineering report: The TABS Agency submits a report, which outlines the scope of field work. The report shall contain details of what systems will be tested, procedures to be used, sample report forms for reporting test results and a quality control checklist of work items that must be completed before TABS field work commences.
- c. Season I field work: Incremental payments are issued as the TABS field work progresses. The TABS Agency mobilizes to the project site and executes the field work as outlined in the pre-field engineering report. The HVAC water and air systems are balanced and operational data shall be collected for one seasonal condition (either summer or winter depending on project timing).
- d. Acceptance of Season I report: Upon completion of the Season I field work, the data shall be compiled into a report and submitted to the Government. The report will be reviewed, and accepted, after ensuring compliance with the pre-field engineering report scope of work.

e. Completion of Season I field QA check: Contractor QC, the AEDOR and Government representatives meet the TABS Agency at the jobsite to retest portions of the systems reported in the Season I report. The purpose of these tests is to validate the accuracy and completeness of the previously submitted Season I report.

f. Acceptance of Season II report: The TABS Agency shall complete all Season II field work, which is normally comprised mainly of taking heat transfer temperature readings, in the season opposite of that under which Season I performance data was compiled. This data shall be compiled into a report and submitted to the Government. Upon completion of submittal review to ensure compliance with the pre-field engineering report scope, progress payment will be issued. Progress payment is less than that issued for the Season I report since most of the water and air balancing work effort is completed under Season I.]

1.4 CONTRACT MODIFICATIONS

In conjunction with the Contract Clause "DFARS 252.236-7000, Modification Proposals-Price Breakdown," and where actual ownership and operating costs of construction equipment cannot be determined from Contractor accounting records, equipment use rates shall be based upon the applicable provisions of the COE EP-1110-1-8.

1.5 CONTRACTOR'S INVOICE AND CONTRACT PERFORMANCE STATEMENT

1.5.1 Content of Invoice

Requests for payment will be processed in accordance with the Contract Clause "FAR 52.232-27, Prompt Payment Construction Contracts."

a. The Contractor's invoice certified by QC and the AEDOR, on the form furnished by the Government for this purpose, showing in summary form, the basis for arriving at the amount of the invoice. Submit original and five copies.

b. The Contract Performance Statement on the form furnished by the Government for this purpose, showing in detail, the estimated cost, percentage of completion, and value of completed performance [for each of the construction categories stated in this contract]. Submit original and two copies.

c. Final invoice shall be accompanied by Final Release Form. If the contractor is incorporated, the release shall contain the corporate seal. An officer of the corporation shall sign the release and the corporate secretary shall certify the release

d. [Updated construction and equipment delivery schedules (two copies).] [Updated network mathematical analysis (three copies).]

[1.5.2 Mailing of Invoices

a. All invoices shall be forwarded with specific marking on the envelope. This marking shall be in the front lower left hand corner, in large letters, "INVOICES - ENCLOSED."

b. Invoices not completed in accordance with contract requirements will be returned to the Contractor for correction of the deficiencies.

c. Final invoices not accompanied by Final Release Form will be considered incomplete and will be returned to the Contractor.]

[**1.6 CONTRACTOR'S INVOICE**

1.6.1 Content of Invoice

Requests for payment in accordance with the terms of the contract shall consist of the following:

a. Contractor's Invoice on NAVFAC Form 7300/41, which shall show, in summary form, the basis for arriving at the amount of the invoice, including certification by the AEDOR on his AEDOR business letterhead stating that the work for which payment is requested has been constructed in accordance with the Design Documentation prepared, stamped, sealed and signed by the AEDOR.

b. Contractor's Monthly Estimate for Voucher, with subcontractor and supplier payment certification.

[c. Affidavit to accompany invoice.]

d. Updated copy of submittal register.

[e. Updated copy of progress schedule. Furnish as specified in "FAR 52.236-15, Schedules for Construction Contracts."]

[f. Network mathematical analysis.]

[g. Include Contractor's Final Release Form.]

[h. Materials on Site.]

1.6.2 Quantities of Monthly Invoices and Supporting Forms

Forms will be furnished by the Contracting Officer. Requests for payment shall be processed in accordance with "FAR 52.232-5, Payments Under Fixed-Price Construction Contracts." Monthly invoices and supporting forms for work performed through the anniversary award date of the contract shall be submitted to the Contracting Officer within 5 calendar days of the date of invoice (e.g., contract award date is the 7th of the month, the date of each monthly invoice shall be the 7th and the invoice shall be submitted by the 12th of the month) in the following quantities:

a. Contractor's invoice and AEDOR Certification - Original and five copies

b. Contractor's monthly estimate for voucher - Original and two copies shall be required on jobs where there is a schedule of prices

[c. Affidavit - Original]

d. Updated submittal register - Two copies

[e. Progress schedule - Two copies]

[f. Network mathematical analysis - Three copies]

1.7 PAYMENTS TO THE CONTRACTOR

Payments will be made on submission of itemized requests by the Contractor, which comply with the requirements of this section, and will be subject to reduction for overpayments or increase for underpayments made on previous payments to the Contractor.

a. Basis for Contracting Officer's consideration to allow progress payment for material delivered on the site (but not installed) and for completed preparatory work, as authorized under FAR 52.232-5(b), shall be (1) major high cost items and (2) long lead special order items. Materials that will not be paid for prior to installation include, but are not limited to, bulk quantities such as nails, fasteners, conduits, gypsum board, etc. In the request for progress payment, such items shall be specifically identified in the Contractor's estimates of work submitted for the Contracting Officer's approval in accordance with paragraph entitled "Schedule of Prices" above. At the time of invoicing, the amount billed shall be supported by documents establishing its value.

1.7.1 Obligation of Government Payments

The obligation of the Government to make payments required under the provisions of this contract will, at the discretion of the Contracting Officer, be subject to reductions and/or suspensions permitted under the FAR and agency regulations including the following in accordance with "FAR 32.503-6:

- a. Reasonable deductions due to defects in material or workmanship;
- b. Claims which the Government may have against the Contractor under or in connection with this contract;
- c. Unless otherwise adjusted, repayment to the Government upon demand for overpayments made to the Contractor; and
- d. Failure to provide up to date record drawings not current as stated in Contract Clause "FAC 5252.236-9310, Record Drawings."

1.7.2 Payment for Materials Offsite

Payments may be made to the Contractor for materials stored off construction sites under the following conditions:

- a. Conditions described in the paragraph entitled "Payments to the Contractor";
- b. Material within [a distance of [80] [_____] km [50] [_____] miles by streets and roads to] [the county of] the construction site;
- c. Materials adequately insured and protected from theft and exposure;

d. Materials not susceptible to deterioration or physical damage in storage or in transit to the job site are acceptable for progress payments. Items such as steel, machinery, pipe and fittings, and electrical cable are acceptable; items such as gypsum wallboard, glass, insulation, and wall coverings are not;

e. Materials in transit to the job site or storage site are not acceptable for payment; and

f. Conditions specified in "FAR 52.232-5(b) Payments Under Fixed Price Construction Contracts."

[1.7.3 Payment for Materials On Site

Payment may be made for materials delivered to the site but not yet incorporated into the construction. Materials on site shall be listed as a separate item on the Contract Performance Statement. The value of the materials shall be supported by the Schedule of Prices and a separate list of all materials being invoiced shall be submitted with the invoice in the following format:

MATERIAL ON		MATERIAL		MATERIAL		MATERIAL
SITE LAST		RECEIVED		CONSUMED		ON
ITEM PERIOD	+	THIS PERIOD	-	THIS PERIOD	=	SITE]

1.8 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS

a. Whenever the Contractor submits a claim for equitable adjustment under any clause of this Contract which provides for equitable adjustment of the Contract, such claim shall include all types of adjustments in the total amounts to which the clause entitles the Contractor, including, but not limited to, adjustments arising out of delays or disruptions or both caused by such change.

b. Except as the parties may otherwise expressly agree, the Contractor shall be deemed to have waived (1) any adjustments to which it otherwise might be entitled under the clause where such claim fails to request such adjustments, and (2) any increase in the amount of equitable adjustments additional to those requested in its claim.

c. The Contractor agrees that, if required by the Contracting Officer, he will execute a release, in form and substance satisfactory to the Contracting Officer, as part of the supplemental agreement setting forth the aforesaid equitable adjustment. The Contractor further agrees that such release shall discharge the Government, its officers, agents and employees, from any further claims, including but not limited to, further claims arising out of delays or disruptions or both caused by the aforesaid change.

1.9 CHANGES ESTIMATES

In making all equitable adjustments under the Changes Clause, compensation for additions will be based upon estimated costs at the time the work is performed and credit for deductions will be based upon estimated costs at the time the Contract was made. In arriving at the amount of the change in price, if any, allowance may be made for profit overhead and general expenses, plant rental and other similar items.

PART 2 PRODUCTS

Not used.

PART 3 EXECUTION

Not used.

END OF SECTION